

Yates Petroleum Corporation
Cottonwood KI Federal #1
1980' FSL & 1980' FEL
Section 17 - T16S - R25E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is quaternary alluvium.
2. The estimate tops of geologic markers are as follows:

| | | | |
|-------------|-------|---------------|-------|
| San Andres | 600' | Canyon | 6600' |
| Glorieta | 1631' | Chester | 7150' |
| Abo | 3883' | Mississippian | 7260' |
| Wolfcamp LS | 4882' | T. D. | 7700' |
| Cisco | 5910' | | |

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Approximately 250'

Gas: Wolfcamp LS - 4700
Cisco - 5900
Canyon - 6600
Mississippian - 7300

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:
DST's: As Warranted
Logging: Intermediate casing - T.D.
Coring: CNL-FDC T.D. to casing with GR-CNL on to surface and
DLL from T.D. to casing with selected R_xO .
9. No abnormal pressures or temperatures are indicated.
10. Anticipated starting date: As soon as possible after approval.